

Observations on the Census Bureau's State Population Projections

The Nature of Projections

As indicated in the Census Bureau's documentation, population projections are not necessarily forecasts or predictions. Rather, they indicate the implications of specified assumptions about future trends, and they can only be understood in the context of those assumptions.

Assumptions Underlying the New Projections

These provisional projections include only one scenario. Future releases will include several scenarios indicating a range of possible outcomes.

The current scenario assumes continued improvements in mortality rates, continuation of low fertility for non-Hispanics, and moderate decline of fertility for Hispanics. The projections also assume continuation of recent high levels of international migration.

The most critical assumption for Michigan—and the one that is subject to the highest level of uncertainty—is the assumption about migration to and from other states. The current assumption is based on Michigan's migration patterns over the twenty-five years prior to the 2000 Census: Michigan had high out-migration to other states in the late 1970's, extremely high out-migration in the early 1980's, and low out-migration in the 1990's. Several negative factors were operating at the same time during the late 1970's and early 1980's: a much larger gap in unemployment rates between Michigan and other states than we are experiencing today; out-migration of young Baby Boomers; return-migration among the large number of people who had moved to Michigan in previous decades; and rapid population declines in the city of Detroit.

The Census Bureau's projections extrapolate that improvement in Michigan's migration rate to the year 2005. This assumption is proving to be overly optimistic: Michigan has actually been experiencing somewhat more migration to other states after 2000, although not as much as in the 1970's or the 1980's.

However, the projections then assume that Michigan's net migration to other states will gradually increase toward the average of the rates experienced from 1975 to 2000. That level of out-migration is assumed to be reached in 2025 and to continue through the final year of the projections in 2030.

Thus, the projections are slightly high through 2005 (e.g. the projection for 2004 is 0.5% higher than the estimated population for 2004), but the projections gradually become quite pessimistic after 2005.

Overview of Projected Changes in Michigan's Population

1. Michigan's population is projected to grow 7.8% from 2000 to 2025. This is somewhat more growth than has been suggested for Michigan by prior projections, but it is much lower than the 24% growth projected for the US as a whole during this period.

(The Census Bureau's old "preferred series" projections that were released in 1996 had Michigan growing only 4.1% between 2000 and 2025. DMB's projections that were released in 1996 had Michigan growing 6.8% by 2020, while the new projections suggest 7.6% growth by 2020.)
2. Michigan's population is projected to decline by 0.2% between 2025 and 2030 while the U.S. population grows by a modest 4%. This slowing of growth reflects a low number of births and a reduced number of young adults resulting from several decades of low birthrates.
3. Michigan's projected rate of growth from 2000 to 2030 ranks 40th among the states; its projected numeric growth ranks 21st.
4. Michigan is projected to decline from 3.5% of the nation's population in 2000 to 3.1% in 2025 and 2.9% in 2030. (The Census Bureau's old projections had Michigan declining to 3.0% by 2025.)
5. Michigan's rank among the states is projected to drop from 8th largest in 2000 to 9th in 2019 (behind Georgia), 10th in 2020 (behind North Carolina), and 11th in 2030 (behind Arizona).
6. The projected growth for the twelve midwestern states as a whole (9.5% between 2000 and 2030) is only slightly higher than that for Michigan (7.6%).

Michigan's projected rate of growth is higher than the projected rates for North Dakota (-5.5%), Iowa (1.0%), Ohio (1.7%), South Dakota (6.0%) and Nebraska (6.4%). However, six other midwestern states have higher projected rates of growth than Michigan: Illinois (8.2%), Kansas (9.4%), Indiana (12.0%), Wisconsin (14.7%), Missouri (14.9%), and Minnesota (28.2%).

Major Uncertainties in the New Projections

The largest uncertainty in the new projections is whether Michigan's net out-migration to other states will increase to the average level experienced over the twenty-five period between 1975 and 2000.

In particular, these projections do not take several factors into account that should work in Michigan's favor over the next few decades:

- a) According to separate estimates from the Census Bureau, Michigan's net out-migration to other states has been lower after 2000 than it was in the 1970's or 1980's, despite one of the highest unemployment rates in the nation.
- b) If we succeed in expanding our economy and making our cities more attractive, our out-migration rate should decrease instead of increase.
- c) Water may be an increasingly important factor in many states. Some of the states projected to have rapid population increases are experiencing serious water problems that could prevent those increases from occurring. (Nevada, Arizona, Texas, and Utah are among the top 5 states in terms of projected rates of population growth. California is projected to have the second highest numeric growth.) It should be noted, however, that water problems have persisted in these states for a long time, and that their rate of population growth does not seem to have been adversely affected up to now.
- d) Michigan should benefit from an improving balance of return migration. Much of our out-migration—even in the older age groups—has involved natives of other states who leave Michigan; much of our in-migration has involved Michigan natives who return home. Because of shifts in migration patterns between the middle decades and the final decades of the twentieth century, we will come to have a smaller pool of natives from other states who can leave and a larger pool of Michigan natives living elsewhere who can return.
- e) Issues of congestion and housing costs may retard growth in some of the states where high rates of population change are projected. That should increase growth in some of the remaining states. Some of the high-growth states may not want to grow as much as projected, and they may take steps to limit their population change.
- f) There are some indications that foreign immigration may be declining because of homeland security concerns, international shifts in employment opportunities, and improved educational opportunities in other countries. Since a decline in foreign migration would affect many other states more than it would affect Michigan, it should result in less decline of Michigan's share of the nation's population.

One factor with potentially large negative implications for Michigan's economy and population would be high penetration of the motor vehicle market by products produced in China.